Manitoba
Housing
Landlord and
Tenant Affairs

302 – 254 Edmonton St.
Winnipeg, Manitoba
R3C 3Y4

MG-12290

REPORT ON THE ADMINISTRATION

OF THE

RENT REGULATION PROGRAM

FOR THE FISCAL YEAR ENDED

MARCH 31, 1986

Manitoba

Housing Landlord and Tenant Affairs

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February 25, 1987

The Honourable Maureen Hemphill
Minister of Housing
Room 215, Legislative Building
Winnipeg

Dear Madam:

I am pleased to submit for your consideration, a report on the administration of the Rent Regulation Program for the fiscal year ended March 31, 1986.

Respectfully submitted,

Don Ilich
Assistant Deputy Minister
Property Management &
Landlord & Tenant Affairs

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RENT REGULATION BUREAU

The Rent Regulation Bureau, together with the Office of the Rentalsman, form the Landlord and Tenant Affairs Branch. The amalgamation of the two offices took place in September, 1985.

The Rent Regulation Bureau is charged with the administration of the Residential Rent Regulation Act. The Act, together with the corresponding Regulations, specifies:

- the annual rent increase guideline for premises under its jurisdiction;
- the type and class of buildings excluded from the legislation;
- the rights and obligations of landlords and tenants under the legislation; and
- the various procedures to be followed in the administration of the Act.

The Rent Regulation Bureau's main areas of activities consist of:

- reviewing and processing landlord applications for rent increases above the guideline;
- reviewing and processing tenants' objections to any rent increases whether below, at, or above guideline;
- recommending allowable rent increases based on landlords' applications and tenants objections;

- investigating non-compliance with the legislation; and
- taking action for non-compliance, where applicable.

A perhaps less formalized but equally important function of the Bureau is the ongoing monitoring and evaluation of applicable economic indicators and developments which may have the potential to affect conditions in the rental housing market. Contacts with the relevant agencies of other levels of government and the housing industry provide the Bureau with the opportunity and ability to examine in advance, proposed new and changing programs, legislation or policy directions eminating from these agencies. While activities of this nature are not always easily quantified, they are, nevertheless, an important aspect of the Bureau's ongoing attempt to maintain as equitable a rent regulation program as possible.

ACTIVITIES EXTENDING ACROSS FISCAL YEARS

For the purpose of reporting to the Legislature under the Residential Rent Regulation Act, the rental year coincides with the calendar year.

The annually determined guideline amount, which establishes the threshold above which rent increases must be reviewed and approved by the Rent Regulation Bureau, is set on a calendar year basis. Consequently, the effective date of the rent increase determines the year under which the increase will be recorded and reported by the Bureau.

The Residential Rent Regulation Act requires that a report on the administration of this Act be prepared on a fiscal year basis. As a result, activities of the Bureau during any given fiscal year include rent increases, and other related issues, pertaining to three different calendar years. For instance, the 1985/86 fiscal year includes unresolved 1984 issues, most of the 1985 cases, and a substantial number of applications for 1986 rent increases. The statistical tables in this report identify the year in the heading whenever the particular data pertain to a specific calendar year only. As such, Tables 1 and 2 are simply statistical summaries for activities relating to rent increases that came into effect during the 1985 and 1986 calendar years respectively. Consequently, the figures in these tables identifying the two fiscal years are not comparable. The same applies to the corresponding tables in the Rent Appeals Section of the report.

TABLE 1

CALENDAR YEAR 1985

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1984/85 FISCAL YEAR	1985/86 FISCAL YEAR
Carried forward from previous year	-	3,677
Received - Winnipeg	5,124	4,042
- Brandon	224	197
- Rural	128	50
TOTAL	5,476	7,966
Applications withdrawn	12	428
Determined	1,787	6,506
ACTIVE	3,677	1,032
OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	54
Received - Winnipeg	45	117
- Brandon	7	10
- Rural	16	4
TOTAL	68	185
Objections withdrawn	5	41
Determined	9	62
ACTIVE	54	82
COMPLIANCE		
Received - Winnipeg	186	404
- Brandon	18	7
- Rural	5	18
TOTAL	209	429
Resolved	208	407
BALANCE	1	22
Referred to Rent Appeal Panel	1	22
ACTIVE	-	-

TABLE 2

CALENDAR YEAR 1986

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1984/85 FISCAL YEAR	1985/86 FISCAL YEAR
Carried forward from previous year	-	-
Received - Winnipeg	-	8,415
- Brandon	-	206
- Rural	-	313
TOTAL	-	8,934
Applications withdrawn	-	93
Determined	-	2,270
ACTIVE	-	6,571
OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	-
Received - Winnipeg	-	31
- Brandon	-	5
- Rural	-	21
TOTAL	-	57
Objections withdrawn	-	12
Determined	-	6
ACTIVE	-	39
COMPLIANCE		
Received - Winnipeg	-	161
- Brandon	-	4
- Rural	-	100
TOTAL	-	265
Resolved	-	252
BALANCE	-	13
Referred to Rent Appeal Panel	-	13
ACTIVE	-	-

ACTIVITY SUMMARY

All statistics throughout this report are expressed in terms of the total rental units affected (ie. if all 24 units in an apartment building are under review, our statistics reflect this with a figure of 24).

Table 4 reflects the activities of the Rent Regulation Bureau on a comparative basis for the fiscal years 1984/85 and 1985/86. The processing of landlord applications for rent increases above the guideline increased by approximately 500 units in the 1985/86 fiscal year. Tenant objections to guideline or less increases showed a downward trend over the two years. During the 1985/86 fiscal year, 154 objections were dealt with in comparison to 265 objections handled in the 1984/85 fiscal year. Under the heading "Compliance Cases", the 1985/86 fiscal year saw a marked decrease from the previous year in volume processed. These developments may indicate acceptance and recognition of the need for rents to increase at a modest and justifiable rate, and awareness of the duties and obligations under the Residential Rent Regulation Act.

The Appeal function, as well as the receipt of applications for rehabilitation projects and the subsequent granting of temporary exemption from rent increase limitations, rests with the Rent Appeals Branch of Manitoba Housing. The ratio of appeals to recommendations issued remains fairly constant at approximately one to four.

The rehabilitation provisions of the Residential Rent Regulation Act provide for a two stage process. First, a landlord submits an application for rehabilitation and obtains approval to proceed with the project. Once the project is completed, the landlord applies for a period of exemption from rent increase limitations. During the 1985/86 fiscal year, Appeal Panels heard presentations seeking approval to commence major rehabilitation projects on a total of 426 rental units. In addition, applications for temporary exemptions from Rent Regulation were considered on 114 rental units where previously applied-for rehabilitation projects had been completed.

TABLE 3

INCOMING FORMS

TYPE OF FORMS	RECEIVED IN FISCAL YEAR 1984/85	1985/86
Notices Of Increase In Rent	53,713	55,929
Notices To New Tenants	15,547	15,593
Tenant Objections To Guideline Or - Less Increases	230	188
Tenant Objections To Above Guideline - Increases	2,405	3,046
Applications For Rent Increases - Above Guideline	9,082	12,759
Notices Of Appeal	2,081	1,893
Applications For Rehabilitation	162	467
Applications For Exemption	136	114

TABLE 4

ACTIVITY SUMMARY

ACTIVITIES	PROCESSED DURING FISCAL YEAR 1984/85	1985/86
Landlord Applications For Rent Increases	8,915	9,404
Tenant Objections To Guideline or Less Increases	265	154
Compliance Cases	992	694
Appealed Recommendations	2,196	2,059
Applications For Rehabilitation	162	426
Applications For Exemption	136	114

THE MANITOBA RESIDENTIAL RENTAL HOUSING MARKET

MANITOBA:

The entire stock of rental housing in Manitoba consists of approximately 125,000 dwellings. About 100,000 rental units fall under the jurisdiction of the Residential Rent Regulation Act (controlled units); the remaining 25,000 units are exempt for various reasons as permitted by the Act, and its Regulations.

Table 5 lists the average rent levels for 1986 on controlled and exempt units for some major Manitoba communities. The adjacent percentage figures express the average rent increase taken in 1986 to reach these rent levels. Portage La Prairie has the highest rent level for both categories (controlled as well as exempt). However, average rent increases on controlled units taken in Portage La Prairie are among the lowest for the listed communities. This is especially noteworthy since the controlled averages are based on the combined effect of rent increases allowed by the Bureau as a result of a landlord's application and increases taken at or below the guideline amount of 3% for 1986. The City of Winnipeg follows with the second highest rent level and an average increase of 3.4%. The overall rent level of $391 for all of Manitoba, along with the average increase of 3.4%, closely resembles the Winnipeg data and reflects the major impact that activities in the Winnipeg rental housing market have on province-wide statistics.

Based on data collected to date, the cost to Manitobans who occupied rental housing in the controlled sector rose by 3.4% in 1986; the increase in the exempt sector was 4.7%.

WINNIPEG:

The difference in average rent levels between rental units where the landlord applied for increases above the guideline (Table 6A) and those units where guideline increases were taken (Table 6B) is not unduly large. This is especially the case for the most common type dwelling - the two - bedroom apartment. Average rents for units where applications were made are at $456 per month versus average rents for units taking guideline increases at $451 per month. If the two totals for all unit types along with their average percentage increases are compared, it becomes evident that the difference in final rent levels is due solely to the difference in the size of the last rent increase allowed i.e. prior to the last increase, average rent levels were virtually identical. It may then be reasonable to assume that a landlord's primary reasons to apply for rent increases above the guideline are usually based not on low rent levels but, more likely, on an increase in operating costs for his property.

BRANDON:

Average rent levels in Brandon are quite similar to Winnipeg levels for the most common suite types - one and two bedroom. The overall lower average rent level for the total rental market in Brandon as compared to Winnipeg is due to the low value in the "other" category. The low values that appear for this category in Brandon are caused by the significant and proportionally greater number of "Mobile Home Park" units in Brandon. Rents for mobile home park units are included in the "other" category. These rents usually represent charges for the rental of the mobile home pad only and, consequently, depress average rent values (See Table 7A & 7B).

SOUTHERN REGION:

The total area of the province has been divided into two regions - Southern and Northern. The boundary between these two regions runs just north of Pine Falls. Both regions are exclusive of the separately identified communities in this report.

Most of the communities in the Southern Region are small agricultural support centres with relatively stable demographics. Tenancies are quite often long term with a low turnover rate. Land values are considerably lower than in the urban centres such as Winnipeg and Brandon. The compact size and nature of the communities allows for cost-effective (eg. voluntary fire brigades) municipal service delivery.

The benefits of this environment accrue to homeowners and tenants alike and are reflected in considerably lower average rent levels for all suite types.

The average percentage rent increases shown in Table 8B should generally not exceed the guideline amount for a given year. There are some suite types as well as the total that show an average increase in excess of the allowable 3% amount for 1986. This discrepancy does not imply non-compliance with the legislation on the part of landlords in this region. The inflated values can be explained, in most instances, by the provision of additional services, i.e. furniture has now been included, etc. Once these services have been factored out, base rent increases do not exceed the guideline amount.

NORTHERN REGION:

Demographics are somewhat different in the Northern Region. The region contains a number of single industry towns such as mining or forestry centres. Single industry towns have historically a more transient population than towns with a more diversified economic base. In addition, there are the more severe climatic conditions which, along with the often remote location, add to increased costs in the provision of rental housing.

Although not to the same extent as in the Southern Region, average rent levels in the Northern Region are still below rent levels for similar suite types in urban centres (Table 9A & 9B).

DAUPHIN, PORTAGE LA PRAIRIE, SELKIRK, THE PAS, THOMPSON:

In examining rent levels on units where applications for rent increases above the guideline were made, Dauphin registers the lowest average rent and the smallest average increase among the selected five communities (Table 10). There is no readily apparent explanation for this, other than the observation that there were only a very limited number of applications received; in terms of the total number of rental units in Dauphin, the ratio of applications is insignificant. Similarily, the relatively high average increases reflected in our statistics for the other four communities may also be due to the very limited statistics available. The values contained in this table are only a matter of record and are not necessarily representative of the true rent levels in these communities and no statement can be made with any degree of confidence.

Tables 11, 12, 13, 14, and 15 deal with average rent levels and increases on units where at or below guideline increases were taken. The data in these tables was calculated from figures obtained on various forms submitted by the residential rental housing industry in these five communities. These tables display more reliable statistics and have more broadly based support values for these five communities than the figures shown in Table 10.

SYNOPSIS:

The range of average rent levels, for all types of rental accommodation in the controlled sector for Manitoba communities, including Winnipeg and Brandon, is $140, from a low of $279 in Dauphin to a high of $419 in Portage La Prairie. The range for the exempt sector is $164, with Dauphin again recording the lowest average of $315 and Portage La Prairie at the high end with $479. The difference in average rents between the controlled and exempt sector is approximately $50. This narrow gap should not act as a deterrent to the free flow of tenants between these two markets to any significant extent.

TABLE 5

MANITOBA RENTAL MARKET

1986 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	400	3.4	447	4.3
Brandon	367	3.3	416	4.0
Dauphin	279	1.5	315	9.4
Portage La Prairie	419	1.9	479	11.1
Selkirk	374	3.2	466	7.8
The Pas	298	1.3	441	2.0
Thompson	301	3.0	414	12.0
Northern Region	320	3.7	344	24.6
Southern Region	254	4.7	477	6.9
Rural	302	3.2	429	11.0
Manitoba	**391**	**3.4**	**443**	**4.7**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

Manitoba Rental Market
1986 Average Rent Levels
Controlled Units

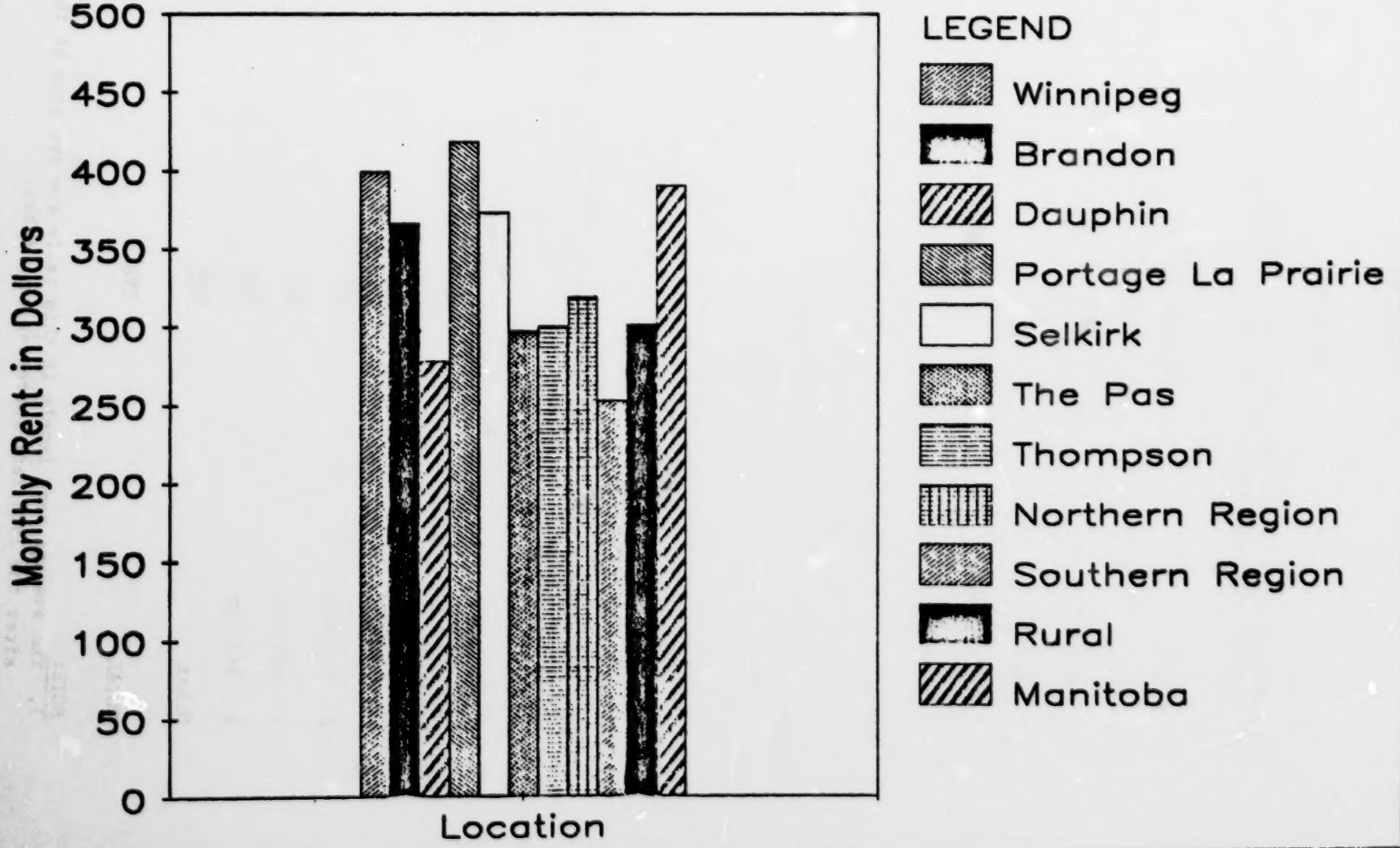


TABLE 6A

WINNIPEG

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE APPLICATIONS FOR RENT INCREASES ABOVE GUIDELINE WERE MADE

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	307	4.8
1 - Bedroom	383	5.3
2 - Bedroom	456	5.1
3 - Bedroom	540	5.6
4 - Bedroom	558	4.8
Other	375	5.2
TOTAL	407	5.2

TABLE 6B

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	277	2.9
1 - Bedroom	360	2.9
2 - Bedroom	451	2.7
3 - Bedroom	528	3.0
4 - Bedroom	508	3.0
Other	409	2.9
TOTAL	398	2.9

NOTE:
1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 7A

BRANDON

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE APPLICATIONS FOR RENT INCREASES ABOVE GUIDELINE WERE MADE

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	X	X
1 - Bedroom	399	6.3
2 - Bedroom	451	5.4
3 - Bedroom	504	5.3
Other	179	1.3
TOTAL	378	5.0

X - Available statistics are too limited to be included.

- -

TABLE 7B

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	335	3.8
1 - Bedroom	359	2.8
2 - Bedroom	418	2.8
3 - Bedroom	500	1.8
4 - Bedroom	314	2.8
Other	234	4.4
TOTAL	364	3.0

NOTE:
1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 8A

SOUTHERN REGION

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE APPLICATIONS FOR RENT INCREASES ABOVE GUIDELINE WERE MADE

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
1 - Bedroom	305	1.8
2 - Bedroom	331	5.2
3 - Bedroom	120	11.4
4 - Bedroom	118	9.5
Other	204	10.7
TOTAL	208	7.3

TABLE 8B

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	232	12.2
1 - Bedroom	323	5.1
2 - Bedroom	348	4.2
3 - Bedroom	270	4.3
4 - Bedroom	257	3.0
Other	212	3.3
TOTAL	269	4.1

NOTE:
1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 9A

NORTHERN REGION

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE APPLICATIONS FOR RENT INCREASES ABOVE GUIDELINE WERE MADE

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
1 - Bedroom	349	4.5
2 - Bedroom	347	3.5
3 - Bedroom	190	7.0
4 - Bedroom	111	13.2
Other	160	7.1
TOTAL	230	5.4

TABLE 9B

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	277	5.7
1 - Bedroom	345	2.9
2 - Bedroom	386	3.1
3 - Bedroom	314	2.4
4 - Bedroom	X	X
Other	327	3.5
TOTAL	357	3.2

X - Available statistics are too limited to be included.

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 10

SELECTED COMMUNITIES

1986 AVERAGE RENT LEVELS AND INCREASES FOR SELECTED MANITOBA COMMUNITIES, WHERE APPLICATIONS FOR RENT INCREASES ABOVE GUIDELINE WERE MADE

COMMUNITY	AVERAGE RENTS	AVERAGE % INCREASE
Dauphin	148	11.6
Portage La Prairie	310	23.9
Selkirk	260	18.8
The Pas	378	21.8
Thompson	X	X

X - Available statistics are too limited to be included.

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 11

DAUPHIN

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
1 - Bedroom	203	3.5
2 - Bedroom	376	2.7
3 - Bedroom	421	1.5
4 - Bedroom	448	2.0
Other	222	-.03
TOTAL	**281**	**1.4**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 12

PORTAGE LA PRAIRIE

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	267	2.1
1 - Bedroom	382	2.0
2 - Bedroom	451	1.6
3 - Bedroom	464	0.6
4 - Bedroom	X	X
Other	436	2.3
TOTAL	421	1.8

X - Available statistics are too limited to be included.

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 13

SELKIRK

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
1 - Bedroom	343	2.5
2 - Bedroom	423	3.3
Other	372	3.2
TOTAL	**376**	**3.1**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 14

THE PAS

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
1 - Bedroom	341	2.2
2 - Bedroom	516	0.9
Other	158	-1.6
TOTAL	**297**	**0.9**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 15

THOMPSON

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE, ON UNITS WHERE INCREASES WERE AT OR BELOW ANNUAL GUIDELINE OF 3%

SUITE TYPE	AVERAGE RENTS	AVERAGE % INCREASE
Bachelor	272	2.4
1 - Bedroom	343	2.9
2 - Bedroom	371	3.9
3 - Bedroom	357	4.6
4 - Bedroom	X	X
Other	260	2.5
TOTAL	301	3.0

X - Available statistics are too limited to be included.

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

RENT APPEALS BRANCH

RENT APPEALS BRANCH

Although the appeal function is an integral part of the Rent Regulation Program and is defined in the Residential Rent Regulation Act, the execution of this function rests within the Rent Appeals Branch and is totally independent of the Landlord and Tenant Affairs Branch.

The primary responsibilities of the Appeals Branch are:

- hearing and adjudicating appeals by landlords or tenants relating to rent increase recommendations issued by the Rent Regulation Bureau;
- considering applications for rent rollback as submitted by the Rent Regulation Bureau; and
- processing applications for the rehabilitation of buildings that may then qualify for temporary exemption from rent increase limitations under The Residential Rent Regulation Act.

All adjudications and orders under the appeal process are made by panels consisting of one or more members. Appeal panelists are private citizens from all walks of life appointed by the provincial government.

ACTIVITY SUMMARY

The appeal function is the last level of activity in the Rent Regulation Program. As a consequence, the peak work load in the Appeals Branch follows about two to three months after the peak work period in the Rent Regulation Bureau. Table 1A reflects this shift by recording the vast majority of appeals for 1985 calendar year rent increases under the 1985/86 fiscal year column. Statistics for the other listed categories in this table follow the same pattern.

Based on decisions issued by the Appeals Branch, the majority (1,016 of 1,657) of Rent Regulation Officers' recommendations were upheld. About 1 in 3 appealed recommendations were varied by appeal panels.

The rehabilitation provisions provide for a two stage process:

1. Landlord applies and obtains approval to proceed with project.

2. After successful completion of project, landlord then applies for a period of exemption from rent increase limitations.

The process is illustrated in Table 1A where 33 applications for rehabilitation were approved during the 1984/85 fiscal year, with an additional 61 being approved in the 1985/86 year. All of the approved projects were successfully completed and upon subsequent application the 94 units received exemptions for varying periods of time.

Table 2A deals with appeals relating to rent increases that become effective in the 1986 calendar year. As previously outlined, the difference in peak work load periods will cause the majority of 1986 appeals to appear in next year's report under the 1986/87 column.

TABLE 1A

CALENDAR YEAR 1985

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1984/85 FISCAL YEAR	1985/86 FISCAL YEAR
Landlord Initiated	268	1,054
Tenant Initiated	91	624
Carried Forward	-	205
TOTAL	359	1,883
DECISIONS		
Recommendation Upheld	13	1,016
Recommendation varied	141	641
APPLICATIONS FOR REHABILITATION		
Approved	33	61
Rejected	-	365
TOTAL	33	426
APPLICATIONS FOR EXEMPTION		
Approved	-	94
Rejected	-	-
Pending	-	-

Disposition of 1985 Applications
Fiscal Year Ended March 31/86

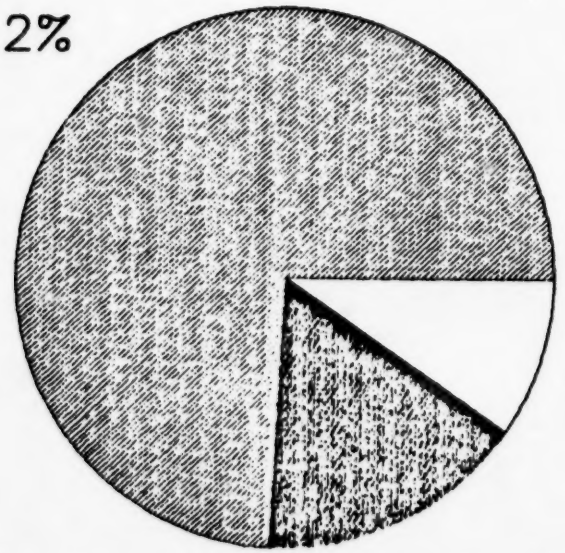


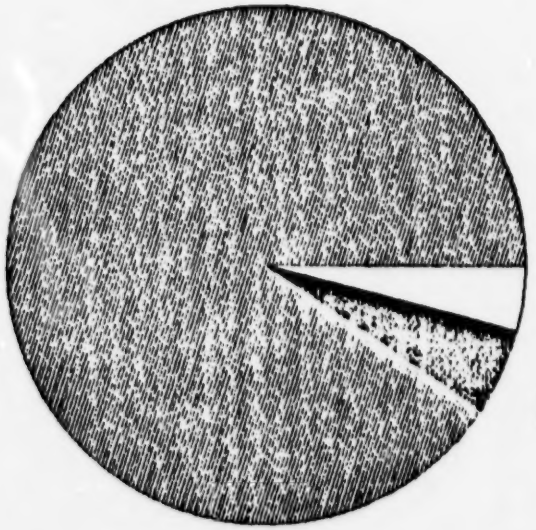
TABLE 2A

CALENDAR YEAR 1986

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1984/85 FISCAL YEAR	1985/86 FISCAL YEAR
Landlord Initiated	-	121
Tenant Initiated	-	92
Carried Forward	-	-
TOTAL	-	213
DECISIONS		
Recommendation Upheld	-	97
Recommendation varied	-	34
APPLICATIONS FOR REHABILITATION		
Approved	-	-
Rejected	-	-
TOTAL	-	-
APPLICATIONS FOR EXEMPTION		
Approved	-	-
Rejected	-	-
Pending	-	-

Disposition of 1986 Applications
Fiscal Year Ended March 31/86



APPEALS

The Rent Regulation Bureau's recommendations for rent increases may be appealed by landlords or tenants. Table 3A shows the average rent levels and increases by location for all units where the recommendations were subsequently appealed. The appeal may have originated from either party - the landlord or the tenant. In the Bureau's section of this report, average final rents, for units where an application for increases above the guideline was made, are listed as $407 for Winnipeg. Since all appeals received relate to above-guideline applications, it might be expected that average rents - prior to the appeal process - for this subgroup are at most at the same level. However, Table 3A shows $429 versus $407 for Winnipeg and $411 versus $378 for Brandon. This result is surprising inasmuch as one might expect that appeals are based, at least to a degree, on low rent levels, especially where the bulk of appeals come from landlords. Table 4A further compounds this unexpected result, showing that in Winnipeg, landlord appeals have a much higher average rent level than tenant appeals.

Since, quite obviously, rent levels do not seem to form the sole basis for appeals, a review of the size of recommended increases may yield some answers.

A landlord generally applies to the Bureau for an increase above the guideline because he feels that the rise in his operating costs together with, perhaps, some capital expenses are not adequately covered by the guideline amount. The existing rent levels rarely have any bearing on the decision to apply. If the Bureau's recommended rent increases do not meet the landlord's expectations or calculations, the landlord is apt to appeal.

On the other hand, comments made by tenants seem to indicate that a tenant often considers the rent he or she is currently paying, as well as the recommended increase. If a tenant pays rent well above the average for similar accommodation and if the allowed increase is considerably in excess of the guideline amount, a tenant is likely to appeal the recommendation. Table 5A appears to support this analysis. Average recommended increases on Landlord Appeals are considerably below the final average for all applied units; conversely, the average recommended increase on Tenant Appeals is well above the average for all applied units.

In any event, appeal data is still very limited for rent increases effective in 1986. Any analysis and conclusions are only tentative and should be treated with a degree of caution.

TABLE 3A

1986 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

Location	Prior To Rent Increase	As Requested By Landlord	After Recommendation By Bureau	After Appeal Panel Decision
Winnipeg	409	444	429	432
Brandon	390	420	411	412
Rural	296	332	307	313
Manitoba	**408**	**442**	**428**	**430**

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TABLE 3B

1986 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

Location	As Requested By Landlord	After Recommendation By Bureau	After Appeal Panel Decision
Winnipeg	8.4	4.9	5.5
Brandon	7.8	5.3	5.7
Rural	12.3	3.9	5.9
Manitoba	**8.4**	**5.0**	**5.5**

TABLE 4A

1986 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

Location	Prior To Rent Increase	As Requested By Landlord	After Recommendation By Bureau	After Appeal Panel Decision
Winnipeg	421	455	439	442
Brandon	347	378	348	353
Rural	296	332	307	313
Manitoba	**418**	**452**	**436**	**439**

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TABLE 5A

1986 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

Location	As Requested By Landlord	After Recommendation By Bureau	After Appeal Panel Decision
Winnipeg	8.2	4.3	5.1
Brandon	9.0	0.3	1.8
Rural	12.3	3.9	5.9
Manitoba	8.2	4.3	5.1

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TABLE 5B

1986 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

Location	As Requested By Landlord	After Recommendation By Bureau	After Appeal Panel Decision
Winnipeg	9.2	6.7	6.7
Brandon	7.9	6.4	6.4
Rural	-	-	-
Manitoba	9.1	6.7	6.7